

## **Foreword**

**Background:** The fiscal year 2009 contractor accountings and the 2011 CVP water rate schedules have been finalized. The WY 2011 water rates have been developed consistent with past practice – the projected deliveries have been developed using a five year average of actual historical water deliveries for the O&M component of the rate. If there are any problems accessing the site or viewing the schedules, please contact Ms. Kathryn Osborn at 916-978-5364.

### **East Bay Municipal Utility District (EBMUD) Projected Deliveries**

In consideration of the dry year provisions of EBMUD's contract, the rates for WY 2011 have been calculated using projected deliveries of 23,200 a/f based on EBMUD's capacity with the nearing completion of the Freeport Project.

### **Site Security Costs**

Security guards and patrol costs projected for FY 2011 are included in the water rates and have been updated for the final rates. The estimated costs for FY 2011 are \$3,007,076.42 for Irrigation and \$486,547.05 for M&I; these are gross costs as provided by our Denver office. The estimated reimbursable amount included in the rates is \$1,429,764.60 for Irrigation and \$231,336.90 for M&I. These amounts are based on a 3-year history of actual costs to more accurately reflect the reimbursable portion.

### **American River Pump Station Project**

Storage capital has been adjusted in the final 2011 rates to reflect the American River Pump Station Project as non-reimbursable pursuant to Public Law 122 SEC. 503 – May 8, 2008.

### **American Recovery and Reinvestment Act (ARRA)**

The ARRA legislation permits the reimbursable costs of O&M expenses funded with these funds to be repaid over an extended period of time. Reclamation will recover the reimbursable ARRA funded O&M costs over a 10-year period.

### **Trinity Public Utilities (PUD) Assessment**

In accordance with Public Law 106-377, Section 203, Reclamation is required to collect the PUD from water contractors pursuant to Public Law 106-377, Section 203. The amount to be collected annually is \$162,000 (indexed) and will then be remitted to the Trinity Public Utility District. The 2011 assessment rate per acre foot will be \$0.05 cents. This assessment along with the restoration charges and Friant surcharges per acre foot will be shown in Schedule A-1 of the Irrigation and M&I water rate books under “Assessments and Charges”.

### **Water Marketing**

The Irrigation and M&I estimated general expense is based on 18.5 percent of the budgeted costs. For 2011, the Irrigation and M&I estimated general expense is \$627,000 ( $\$3,387,000 \times 18.5\%$ ).

### **Rescheduled Water and Incremental Transfer Revenue**

Rescheduled water revenues (Irrigation or M&I) have been applied to storage capital beginning in fiscal year 2004 (refer to schedule A-4) in accordance with a prior Reclamation management decision. For 2011, incremental transfer revenue has also been applied as a credit to applicable capital cost components. A list of incremental revenue is included with the Final Water Rates Schedules as a supplemental schedule titled “Incremental Revenue”.

### **Incremental Transfer Revenue – O&M Direct Pumping**

Beginning in the FY 2009 accountings incremental revenues for O&M direct pumping are credited to the transferees. Adjustments for FY 2007 and FY 2008 are included in the FY 2009 accountings.

### **Project Use Energy (PUE) Costs for FY 2009 Accountings**

The PUE costs by component/facility included in the FY 2009 Accountings are based on the Schedule of Estimated PUE Costs (Schedule A-11) from the 2009 Rate book. It includes a True-up of FY 2008 PUE costs; FY 2008 True-up for Bella Vista (McConnell Foundation water). The breakdown of the FY 2009 PUE expenses is shown below:

- Estimated PUE Costs from 2009 Schedule A-11 \$18,400,000
- FY 2008 PUE True-up adjustment (1,071,401)
- FY 2008 PUE True-up adj. for Bella Vista 12,090  
(McConnell Adj.)
  - Total Irrigation and M&I PUE Expenses in FY2009 \$17,340,689

Please direct any questions regarding the CVP FY 2009 final accountings or the CVP 2011 water rates to Ms. Autumn Wolfe at 916-978-5391, [awolfe@usbr.gov](mailto:awolfe@usbr.gov) or by fax at 916-978-5392.